

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
COMBINED BUSINESS PROFITS TAX RETURN

SEQUENCE #4

For the CALENDAR year **2002** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

Due Date for CALENDAR year filers is on or before March 17, 2003 or the 15th day of the 3rd month after the close of the taxable period.

YOU ARE REQUIRED TO FILE THIS FORM IF YOUR GROSS BUSINESS INCOME WAS GREATER THAN \$50,000.

STEP 1 Please Print or Type	NAME OF PRINCIPAL NH BUSINESS ORGANIZATION		FEDERAL EMPLOYER IDENTIFICATION NUMBER
STEP 2 Questions	<p>A Is the corporation filing its tax return on an IRS approved 52/53 week tax year? Yes _____ No _____</p> <p>B Does the corporation file as part of a unitary group in any other jurisdiction? Yes _____ No _____</p> <p>C Has the corporation been found to be unitary by any other jurisdiction? Yes _____ No _____</p> <p>D Is this corporation affiliated with any other business organization not included within this combined return that files business tax returns with this department? Please identify by name and FEIN _____ Yes _____ No _____</p>		
STEP 3 Figure Your Taxes	<p>1 Gross Business Profits</p> <p>(a) Combined Net Income from Schedule I, column E, Line 28 (If negative, show in parenthesis) 1(a)</p> <p>(b) Separate entity or passive loss limitation adjustments 1(b)</p> <p>(c) Subtotal [Line 1(a) adjusted by Line 1(b)]. If negative, show in parenthesis (See instructions regarding NOL carryforward and carryback provisions) 1(c)</p> <p>(d) Foreign Dividends (Must be the same amount as Schedule II, Line 6 and the total of Column B on Schedule III) 1(d)</p> <p>(e) NH Combined Net Income (Line 1(c) adjusted by Line 1(d). If negative, show in parenthesis) 1(e)</p> <p>2 Additions and Deductions</p> <p>(a) Add back income taxes or franchise taxes measured by income .. 2(a)</p> <p>(b) NH Net Operating Loss Deduction (Attach Form DP-132-WE) 2(b)</p> <p>(c) Interest on direct US Obligations 2(c)</p> <p>(d) Wage adjustment required by IRC Section 280C 2(d)</p> <p>(e) Deductible dividends (See instructions) 2(e)</p> <p>(f) Income exempt under federal constitutional law, net of related expenses 2(f)</p> <p>(g) Distribution from joint venture or partnership subject to NH taxation 2(g) (Attach schedule: Name, FEIN and amount distributed)</p> <p>(h) Foreign dividend gross-up (IRC Section 78) 2(h)</p> <p>(i) Research contribution (See RSA 77-A:4 XII. Attach computation) .. 2(i)</p> <p>(j) Contributions made to a Qualified Investment Capital Company 2(j) (Attach schedule) Name, FEIN and amount</p> <p>(k) Add back return of capital from Qualified Investment Capital Company .. 2(k) (Attach schedule) Name, FEIN and Amount</p> <p>(l) Combine Lines 2(a) through 2(k). (If negative, show in parenthesis.) 2(l)</p> <p>3 Adjusted Gross Business Profits (Line 1(e) adjusted by Line 2(l). (If negative, show in parenthesis) .. 3</p> <p>4 New Hampshire Apportionment (Form DP-80, Line 5. Express as a decimal to 6 places.) 4</p> <p>5 New Hampshire Water's Edge Taxable Business Profits (Line 3 multiplied by Line 4) 5</p> <p>6 New Hampshire Foreign Dividends Taxable Business Profits (From Schedule II, Line 7) 6</p> <p>7 New Hampshire Taxable Business Profits (Line 5 plus Line 6. If negative, enter zero) 7</p> <p>8 New Hampshire Business Profits Tax (Line 7 x 8.5%) 8</p>		<p>Special Depreciation See TIR 2002-002</p>
STEP 4 Figure Your Credits	<p>9 Credits allowed under RSA 77-A:5 (Attach Form DP-160-WE) 9</p> <p>10 Subtotal (Line 8 minus Line 9) 10</p> <p>11 Business Enterprise Tax Credit 11</p> <p>12 Business Enterprise Tax Credit to be applied against Business Profits Tax (Enter the lesser of Line 10 or Line 11) 12</p> <p>13 NH Business Profits Tax Net of Statutory Credits (Line 10 minus Line 12. IF NEGATIVE, ENTER ZERO.) 13</p> <p>ENTER THE AMOUNT FROM LINE 13 ON LINE 1(b) OF THE BT- SUMMARY FORM. IF YOU HAVE COMPLETED THIS RETURN IT MUST BE FILED WITH THE BT-SUMMARY.</p>		

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
COMBINED BUSINESS PROFITS TAX AFFILIATION SCHEDULE

This page must be completed in its entirety as part of the NH-1120-WE. This page identifies the principal New Hampshire business organization, as defined in Rev. 301.24, other members of the Water's Edge Combined Group, as defined in RSA 77-A:1 and those affiliates excluded from the group as non-unitary or qualified Overseas Business Organizations as defined by RSA 77-A:1.

A PRINCIPAL NH BUSINESS ORGANIZATION	FEDERAL EMPLOYER IDENTIFICATION NUMBER
NUMBER & STREET ADDRESS	
STREET ADDRESS (CONTINUED)	
CITY/TOWN, STATE & ZIP CODE	
B NH BUSINESS ACTIVITY	
For sections C, D, E, and F, in the nexus column please indicate with an X those members which have nexus with New Hampshire.	
Attach additional sheets for the following, if necessary	
C. Other members included in the Water's Edge Combined Group. Please check off those members who have nexus with NH.	
Name of Business Organization	FEIN
Nexus	
1	
2	
3	
4	
5	
6	
7	
8	
D. Parent Company of this Combined Group	FEIN
	Nexus
E. Name and federal employer identification numbers of the domestic affiliated business organizations who are excluded from the NH Water's Edge Combined Group as non-unitary members. Please check off those members who have nexus in NH.	
Name of Business Organization	FEIN
Nexus	
1	
2	
3	
4	
5	
6	
7	
8	
F. Name, location, and federal employer identification number, if applicable, of the affiliates excluded from the group as qualified Overseas Business Organizations, as defined by RSA 77-A:1, XIX. Please check off those members who have nexus in NH.	
Name and Location of Business Organization	FEIN
Nexus	
1	
2	
3	
4	
5	
6	
7	
8	
G. Optional Information	
Taxpayer Contact (Name and Title)	Telephone Number

COMBINED BUSINESS PROFITS TAX RETURN

LINE-BY-LINE INSTRUCTIONS

STEP 1 Name & FEIN	At the top of the return enter the beginning and ending dates of the taxable period if different than the calendar year. Please PRINT the principal NH business organization's name and federal employer identification number.
STEP 2 Questions	Line A Check "yes" if the corporation files its tax return on an IRS approved 52/53 week tax year. Line B Check "yes" if the corporation files as part of a unitary group in any other jurisdiction. Line C Check "yes" if the corporation has been found to be unitary by any other jurisdiction regardless of its filing status in that jurisdiction. Line D Check "yes" if the corporation is affiliated with any other business organization not included within this combined return that files business tax returns with the Department.
STEP 3 Figure Your Taxes	<p>SPECIAL DEPRECIATION: See TIR 2002-002. Check box and complete the corporate reconciliation worksheet.</p> <p>Line 1 NH COMBINED NET INCOME</p> <p>(a) Enter Combined Net Income from Schedule I, column E, Line 28.</p> <p>(b) Enter the amounts which arise from the necessity of adjusting gross business profits to accommodate the New Hampshire requirement of separate entity treatment for business organizations. Examples are a New Hampshire partner's share of partnership activities reported on the partner's federal return (Rev 302.02) or adjustments required under IRC Section 857(b) (2) for real estate investment trusts and IRC Section 852(b) (2) for regulated investment companies. Attach a supporting schedule detailing the amount and type of adjustment(s). Enter any passive activity loss disallowed federally under IRC Section 469. Also enter any amount used to adjust the reported gain or loss on sale of assets which is attributable to an accumulated passive loss. If the total of this adjustment is a negative amount, then show in parenthesis, e.g. (\$50).</p> <p>(c) Enter the amount of Line 1(a) adjusted by Line 1(b). If negative, show in parenthesis, e.g. (\$50). If Line 1(c) shows a loss AND there are two or more NH nexus members in the combined group, then the NH net operating loss (NOL) carryforward available for future deduction must be allocated amongst the members of the combined group in accordance with administrative rule Rev 303.03. Form DP-131-WE, which provides the allocation format, is no longer required to be filed with the return. However, the carryback and carryforward provisions of RSA 77-A:4, XIII, as well as the allocation and apportionment provisions of Rev 303.03, still apply. The loss must be reported on Form DP-132-WE, Combined Net Operating Loss (NOL) Deduction, for the year in which the deduction is claimed.</p> <p>If Line 1(c) shows a loss AND there is only one NH nexus member of the combined group (and the combined group did not change during the 3 carryback years), then no allocation of the loss is required. However, the carryback and the carryforward provisions of RSA 77-A:4, XIII still apply. The loss must be reported on Form DP-132-WE, Combined Net Operating Loss (NOL) Deduction, for the year in which the deduction is claimed.</p> <p>Administrative rules as well as statutes for the Business Enterprise Tax and the Business Profits Tax located within Rev 303.03, as well as Net Operating Loss provisions and sample calculations, are available on our internet website at www.state.nh.us/revenue, within the laws and rules section. If you have specific questions concerning net operating loss provisions for combined filers please contact the NH Department of Revenue Administration, Audit Division, 45 Chenell Drive, PO Box 457, Concord, NH 03302-0457, telephone (603) 271-3400. For hearing or speech impaired individuals, call TDD Access Relay NH 1-800-735-2964.</p> <p>(d) Foreign Dividends [RSA 77-A:3, II(b)] that are from overseas business organization payors must be included in Line 1(a) above in order to be deducted here. This amount must equal the total of column B on Schedule III. Failure to complete page 2 of the return and Schedules II and III could result in the inclusion of dividend income without factor relief or worldwide combination.</p> <p>(e) Line 1(c) adjusted by Line 1(d). Show negative amount in parenthesis, e.g. (\$50).</p> <p>Line 2 ADDITIONS AND DEDUCTIONS</p> <p>(a) Enter the total New Hampshire Business Profits Tax and any income tax, franchise tax measured by net income or capital stock tax assessed by any state or political subdivision that was deducted on this year's federal return. Do not include the New Hampshire Business Enterprise Tax liability in this amount. Attach a schedule of taxes by state.</p> <p>(b) Enter the amount of carryover loss available as shown on Line 6 of Form DP-132-WE. Form DP-132-WE must be attached to the return. Refer to the instructions on the reverse side of Form DP-132-WE for the NOL carryover restrictions and allocation provisions.</p> <p>(c) Enter the amount of gross business profits as is attributable to income derived from non-taxable interest on notes, bonds or other direct securities of the United States government.</p> <p>(d) Enter the amount of the jobs credit [IRC Section 280C(a)] deducted on this year's federal return.</p> <p>(e) In the case of a corporation which is the parent of an affiliated group (pursuant to IRC chapter 6), enter the amount of gross dividends paid to the parent by a subsidiary whose gross business profits have already been subject to taxation under RSA 77-A during the same period. Attach a schedule listing the name, federal employer identification number and amount paid by the subsidiary.</p> <p>(f) Enter the deduction for any portion of the business organization's gross business profits which is allowed to be excluded pursuant to federal constitutional law. This deduction must be net of any expenses paid or incurred that relate to the excluded income portion. Attach a schedule listing the name, federal employer identification number and amount paid.</p> <p>(g) In the case of a corporation which is a participant in a joint venture or a partner in a partnership, enter the amount of distribution from the joint venture or partnership whose gross business profits have already been subject to taxation under RSA 77-A during the same or an overlapping taxable period. Attach a schedule listing the name, federal employer identification number and amount(s) paid by each joint venture or partnership. If amount is a negative number, show in parenthesis. eg. (\$50).</p> <p>(h) Enter the amount of gross business profits that is attributable to foreign dividend gross-ups as determined in accordance with IRC Section 78.</p> <p>(i) In the case of a business organization which makes qualified research contributions as defined in RSA 77-A:1, X, the gross business profits shall be adjusted by: (a) adding to gross business profits the amount deducted under IRC Section 170 in arriving at federal taxable income; and (b) deducting from gross business profits an amount equal to the sum of the taxpayer's basis in the contributed property plus 50 percent of the unrealized appreciation, or twice the basis of the property, whichever is less.</p> <p>(j) Enter a deduction equal to the contribution made to a Qualified Venture Capital Fund during the applicable taxable period. Attach a schedule listing name, federal employer identification number and the amount paid.</p> <p>(k) Enter an addition equal to any return of capital previously taken as a deduction pursuant to RSA 77-A:4, XVII as a capital contribution to a Qualifying Venture Capital Fund if such return of capital is received within 3 taxable periods after the taxable period in which it was deducted. Attach a schedule listing name, federal employer identification number and the amount paid.</p> <p>(l) Enter the total of Lines 2(a) through 2(k) on Line 2(l), showing negative amounts in parenthesis, e.g. (\$50).</p>

COMBINED BUSINESS PROFITS TAX RETURN

LINE-BY-LINE INSTRUCTIONS (continued)

STEP 3 (Continued)	Line 3	ADJUSTED GROSS BUSINESS PROFITS Enter the total of Line 1(e) as adjusted by Line 2(l). Show negative amounts in parenthesis, e.g. (\$50).
	Line 4	NEW HAMPSHIRE APPORTIONMENT Complete Form DP-80, Schedule A, Apportionment of Income. Enter resulting apportionment on Line 4 of your Form NH-1120-WE, expressed as a decimal to six places. Form DP-80 must be attached to Form NH-1120-WE.
	Line 5	Enter the product of Line 3 multiplied by Line 4.
	Line 6	Enter the NH foreign dividends taxable business profits from Schedule II, Line 7.
	Line 7	Enter the sum of Line 5 plus Line 6.
	Line 8	Enter the product of Line 7 multiplied by 8.5%.

STEP 4 Figure Your Credits	Line 9	CREDITS Enter the amount of credits allowed under RSA 77-A:5. Form DP-160-WE, Schedule of Business Profits Tax Credits, must be filed with the return to support all credits claimed on Line 9. Do not include the BET credit on this line.
	Line 10	Enter the amount from Line 8 minus Line 9.
	Line 11	BUSINESS ENTERPRISE TAX CREDIT To calculate the BET credit to be applied against this year's BPT, complete the following worksheet:

BET CREDIT WORKSHEET

	Taxable period ended	Taxable period ended	Taxable period ended	Taxable period ended	Taxable period ended
A BET Credit Carryforward Amount <small>*See note below</small>	<input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>
B Current period BET Liability From Form BET, Line 5	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C Expiring BET Credit Carryforward <small>**See note below</small>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>
D BET Credit available (Sum of Lines A, B and C) Enter on Line 11 of NH-1120-WE	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E Current period BPT liability From NH-1120-WE, Line 10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
F BET Credit Deduction this period (the lesser of Line D or Line E) Enter on Line 12 of NH-1120-WE	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
G Credit Carryforward Amount (Line D minus Line F) IF NEGATIVE, ENTER ZERO. Carry this amount forward and Indicate on Line A in subsequent period.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

*Note: The Line A amount in the first column is from Line G, the credit carryforward amount, of the previous year's BET CREDIT WORKSHEET. If this is your initial year of the BET, enter zero.

** Note: The BET credit may be carried forward and allowed against BPT taxes due for 5 (five) taxable periods from the period in which the tax was paid. Any unused credit prior to the 5 most current tax periods expiring in this taxable period is unavailable and should be included in Line C.

STEP 4 Figure Your Credits (continued)	Line 12	Enter the lesser amount of Line 10 or Line 11. If Line 11 is greater than Line 10, then a Business Enterprise Tax credit carryforward exists. Any unused portion of the current year's Business Enterprise Tax Credit may be carried forward and credits against any Business Profits tax due for the next five taxable periods following the taxable period of the BPT liability.
	Line 13:	Enter the amount of Line 10 minus Line 12. IF NEGATIVE, ENTER ZERO. ENTER THE AMOUNT FROM LINE 13 ONTO LINE 1(b) OF THE BT-SUMMARY FORM.

PAGE 2 WATER'S EDGE COMBINED GROUP BUSINESS PROFITS TAX AFFILIATION SCHEDULE INSTRUCTIONS.

Page 2 of Form NH-1120-WE replaces Form AU-20. It must be completed in its entirety and submitted with the NH-1120-WE. This page identifies the principal New Hampshire business organization, as defined in Rev 301.24, other members of the Water's Edge Combined Group, as defined in RSA 77-A:1 and those affiliates excluded from the group as non-unitary or qualified overseas business organizations as defined by RSA 77-A:1.

NH-1120-WE**SUMMARY OF COMBINED NET INCOME****SEQUENCE #9**

Schedule I

For the CALENDAR year **2002** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

PRINCIPAL NH BUSINESS ORGANIZATION			FEDERAL EMPLOYER IDENTIFICATION NUMBER		
	A	B	C	D	E
	US Consolidated	LESS: Overseas Business Organizations included in Column A	LESS: Non-Unitary Corporations included in Column A	ADD: Unitary Entities not included in Column A	Combined Net Income
1 Gross Receipts or Sales 1					
2 Cost of goods sold and/or operations 2					
3 Gross Profit 3					
4 Dividends 4					
5 Interest 5					
6 Gross rents 6					
7 Gross royalties 7					
8 Capital gain net income 8					
9 Net gain or (Loss) from Form 4797 ... 9					
10 Other Income` 10					
11 TOTAL INCOME (Lines 3 through 10) 11					
12 Compensation of Officers 12					
13 Salaries and Wages (Less Jobs credit) 13					
14 Repairs 14					
15 Bad debts 15					
16 Rents 16					
17 Taxes 17					
18 Interest 18					
19 Contributions 19					
21b Depreciation 21b (Net of depreciation claimed elsewhere on return)					
22 Depletion 22					
23 Advertising 23					
24 Pension, profit-sharing and other similar type plans 24					
25 Employee benefit programs 25					
26 Other deductions (Attach schedule) 26					
27 TOTAL DEDUCTIONS 27 (Total Lines 12 through 26)					
28 TAXABLE INCOME before net operating loss deduction and special deductions (Line 11 minus Line 27) 28					

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
COMBINED COST OF GOODS SOLD AND/OR OPERATIONS
SCHEDULE IA

GENERAL INSTRUCTIONS

Form NH-1120-WE is used for combined filing. Consolidated returns are not permitted. The purpose of Schedule I is to calculate the combined net income of the water's edge group.

Column A	US Consolidated - Enter the amounts from page 1 of the US consolidated return of the principal New Hampshire business organization, as defined in Rev 301.24.
Column B	Overseas Business Organizations Included in Column A - Enter the total of those business organizations included in the consolidated US corporate income tax return which qualify as overseas business organizations, as defined by RSA 77-A:1,XIX. These business organizations are included in part F of the NH-1120-WE, page 2, Affiliation Schedule.
Column C	Non-Unitary Corporations Included in Column A - Enter the total of those corporations included in the consolidated US corporate income tax return which are not part of the water's edge combined group, as defined in RSA 77-A:1, XV. These business organizations are included in part E of the NH-1120-WE, page 2.
Column D	Unitary Entities Not Included in Column A - Enter the total of those business organizations including corporations, partnerships, joint ventures, etc., which are part of the water's edge combined group but are not part of the consolidated US corporate income tax return reported in Column A.
Column E	Combined Net Income - Enter in column E the total of column A less columns B and C, plus column D. This total represents the combined net income of the water's edge group. Enter on Form NH-1120-WE page 1, Line 1(a) the amount from column E, Line 28.

Supporting schedules in columnar form **must** be submitted for amounts in columns A through D which represent more than one entity, (e.g. the US consolidating schedule prepared for federal purposes would support column A). The supporting schedules must show intercompany eliminations as required by Rev. 307.07(c). Gross business profits calculation for business organizations that are included in a consolidated US corporate income tax return must reflect the adjustments required in Rev 302.09.

For the CALENDAR year **2002** or other taxable period beginning Mo Day Year and ending Mo Day Year

Principal NH Business Organization
Federal Employer Identification Number

This schedule must be completed and submitted for all NH-1120-WE filers that have a Cost of Goods Sold and/or Operations.

The amounts on this schedule are the components of the combined Cost of Goods Sold as entered on Schedule I, Column E, Line 2.

1 Inventory at beginning of year	1
2 Purchases	2
3 Cost of labor	3
4a Additional section 263A costs (Attach schedule)	4a
4b Other costs (Attach schedule)	4b
5 Total - (Add Line 1 through Line 4b)	5
6 Inventory at end of year	6
7 Cost of goods sold and/or operations - Line 5 minus Line 6. Enter here and on Schedule I, Column E, Line 2	7

The NH-1120-WE Schedule IA is patterned after the United States Corporation Return Cost of Goods Sold Schedule (Form 1120, page 2, Schedule A). Therefore, all references and terminology are from the Internal Revenue Service.

The amounts to be entered on NH-1120-WE Schedule IA Cost of Goods Sold and/or Operations are for the New Hampshire combined group.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
APPORTIONMENT OF FOREIGN DIVIDENDS**SEQUENCE #11**For the CALENDAR year **2002** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

Principal NH Business Organization			
Federal Employer Identification Number			
LINE 1 SALES	EVERYWHERE (Denominator)	NEW HAMPSHIRE (Numerator)	NH as portion of EVERYWHERE
1(a) Enter amounts from DP-80, Schedule A, Line 1	1(a)	1(a)	
1(b) Enter the Foreign Dividend Sales Factor Increment from Schedule III, Column L	1(b)		
1(c) Enter the Adjusted Sales Factor [Line 1(a) plus Line 1(b)]	1(c)	1(c)	
1(d) Enter Line 1(c) NH divided by Line 1(c) Everywhere		1(d)	
1(e) Enter Line 1(d) multiplied by 2 expressed as a decimal to 6 places			1(e) .
LINE 2 PAYROLL	EVERYWHERE (Denominator)	NEW HAMPSHIRE (Numerator)	NH as portion of EVERYWHERE
2(a) Enter the amounts from DP-80, Schedule A, Line 2.	2(a)	2(a)	
2(b) Enter the Foreign Dividend Payroll Factor Increment from Schedule II, Column M	2(b)		
2(c) Enter the Adjusted Payroll Factor [Line 2(a) plus Line 2(b)]	2(c)	2(c)	
2(d) Calculate the NH total divided by Everywhere total and express as a decimal to 6 places			2(d) .
LINE 3 PROPERTY	EVERYWHERE (Denominator)	NEW HAMPSHIRE (Numerator)	NH as portion of EVERYWHERE
3(a) Enter the amount from DP-80, Schedule A, Line 3	3(a)	3(a)	
3(b) Enter the amount of Foreign Dividend Property Factor Increment from Schedule III, Column N	3(b)		
3(c) Enter the Adjusted Property Factor [Line 3(a) plus Line 3(b)]	3(c)	3(c)	
3(d) Calculate the NH divided by Everywhere total and expressed as a decimal to 6 places			3(d) .
LINE 4 Total [Add Lines 1(e), 2(d), and 3(d)]			4 .
LINE 5 Modified Apportionment Percentage (Line 4 divided by 4, expressed as a decimal to 6 places. If there are only one or two factors, then see instructions)			5 .
LINE 6 FOREIGN DIVIDENDS as defined in RSA 77-A:1, XVII (This amount must agree with NH-1120-WE, page 1, Line 1(d) and the total of Schedule III, Column B.)			6
LINE 7 NEW HAMPSHIRE FOREIGN DIVIDENDS TAXABLE BUSINESS PROFITS (Line 6 multiplied by Line 5) Enter this amount on Line 7 of this Form and on Form NH-1120-WE, Line 6)			7

APPORTIONMENT OF FOREIGN DIVIDENDS

INSTRUCTIONS

Schedule II is used to compute the modified apportionment percentage needed to determine the amount of foreign dividends, as defined by RSA 77-A:1, XVII, which are to be included in the New Hampshire Taxable Business Profits for the water's edge combined group. Prior to completing Schedule II, you must first complete Form DP-80 for the combined group and Schedule III.

STEP 1	Complete the DP-80 and then from FORM DP-80, enter the Everywhere and New Hampshire sales, payroll, and property on Lines 1(a), 2(a), and 3(a) respectively of the NH-1120-WE.
STEP 2	<p>Complete Schedule III and then the Foreign Dividend Factor Increments calculated on Schedule III for sales, payroll, and property must be carried to this schedule as follows:</p> <ol style="list-style-type: none"> 1. Enter the total of Schedule III, column L on Line 1(b). 2. Enter the total of Schedule III, column M on Line 2(b). 3. Enter the total of Schedule III, column N on Line 3(b). <p>Note: The New Hampshire amount for Foreign Dividend Factor Increments will always be zero.</p>
STEP 3	<p>Total the Everywhere and New Hampshire sales (Line 1c), payroll (Line 2c), and property (Line 3c) to obtain denominators and numerators for each. Complete the following calculations, as done for Form DP-80, expressed in decimal form and computed to 6 places.</p> <ol style="list-style-type: none"> 1. Divide the total NH sales by the total Everywhere sales. Multiply Line 1(d) by 2 to arrive at the adjusted sales factor and enter the amount on Line 1(e). 2. Divide the total NH payroll by the total Everywhere payroll to arrive at the adjusted payroll factor and enter on Line 2(d). 3. Divide the total NH property by the total Everywhere property to arrive at the adjusted property factor and enter on Line 3(d).
STEP 4	Add Lines 1(e), 2(d), and 3(d) and enter the sum on Line 4.
STEP 5	<p>Divide Line 4 by 4.</p> <p>If there are less than 3 factors with an "Everywhere" denominator, then divide Line 4 as follows:</p> <ul style="list-style-type: none"> ▪ Sales/Receipts and Payroll- divide by 3 ▪ Sales/Receipts and Property- divide by 3 ▪ Payroll and Property- divide by 2 ▪ Sales/Receipts only- divide by 2 ▪ Property OR Payroll only- divide by 1 <p>Enter the results of your calculation on Line 5. This is the modified apportionment percentage to be applied to taxable foreign dividends.</p>
STEP 6	Enter the amount of taxable foreign dividends on Line 6. This amount must agree with NH-1120-WE, page 1, Line 1(d) and the total of Schedule III, column B.
STEP 7	Multiply Line 6 by the modified apportionment percentage on Line 5. This is the NH Foreign Dividends Taxable Business Profits. Enter this amount on Line 7 and also on NH-1120-WE, page 1, Line 6.

NH-1120-WE**FOREIGN DIVIDEND FACTOR INCREMENTS****SEQUENCE #12**

Schedule III

For the CALENDAR year **2002** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

Column A	B	C	D
NAME OF PAYOR	DIVIDEND	TAXABLE INCOME	PERCENTAGE (B ÷ C)
1			
2			
3			
4			
5			
6			
7			
8			
TOTAL			

Column E	F	G	H	I
SALES AND RECEIPTS	PAYROLL	BEGINNING PROPERTY	ENDING PROPERTY	AVERAGE PROPERTY (G + H) ÷ 2
1				
2				
3				
4				
5				
6				
7				
8				

Column J	K	L	M	N
RENTS x 8	TOTAL PROPERTY (I + J)	MODIFIED SALES (D x E)	MODIFIED PAYROLL (D x F)	MODIFIED PROP- ERTY (D x K)
1				
2				
3				
4				
5				
6				
7				
8				
TOTALS [Carry total modified factor amounts to Schedule II, Line 1(b), 2(b) and 3(b)]				

FOREIGN DIVIDEND FACTOR INCREMENTS

INSTRUCTIONS

New Hampshire law provides for factor relief for the dividends received from overseas business organizations as defined in RSA 77-A:1, XIX. In order to obtain factor relief, a separate apportionment percentage for foreign dividends must be calculated.

Column A	<p>List in column A the unitary foreign dividend payors whose dividends qualify for factor relief, including those from:</p> <p>NH 80/20 business organization is defined in Rev 301.11 as an entity whose income is included in a consolidated US income tax return but whose activities are primarily outside the US because 80 percent or more of the average of payroll and property is outside the 50 states and the District of Columbia.</p> <p>Controlled foreign corporations (CFC) that meet the payroll and property requirements of an overseas business organization as defined in RSA 77-A:1, XIX.</p> <p>IRC Section 936 Sales Companies that meet the payroll and property requirements of an overseas business organization.</p> <p>Foreign sales corporation (FSC) that meet the payroll and property requirements of an overseas business organization.</p> <p>Business organizations meeting the payroll and property requirements of an overseas business organization which made deemed dividends to a member of the unitary group.</p>
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FOR EACH UNITARY DIVIDEND PAYOR LISTED ABOVE, PROVIDE THE FOLLOWING INFORMATION IN US DOLLARS:

Column B	Enter the amount of the dividend paid or deemed paid.
Column C	Enter the taxable income computed using US tax standards.
Column D	Enter the result of column B divided by column C, expressed as a decimal to 6 places. If this amount is greater than 1, enter 1.000000. If this amount is less than zero, enter zero.
Column E	Enter the sales and receipts less returns and allowances pursuant to RSA 77-A:3, I(c). Refer to Rev 304.05.
Column F	Enter the total payroll pursuant to RSA 77-A:3, I(b). Refer to Rev 304.04.
Columns G & H	Enter the beginning and ending property valued at original cost pursuant to RSA 77-A:3, I(a). Refer to Rev 304.03.
Column I	Enter the results of the sum of Column G and Column H divided by the number 2.
Column J	Enter the valuation of rented property valued at 8 times the net annual rental rate pursuant to RSA 77-A:3, I(a). Refer to Rev 304.03(e).
Column K	Enter the total of Columns I and J.
Columns L M & N	<p>Enter the product of Column D times Columns E, F, and K, respectively.</p> <p>The total of Columns L, M, and N will be used on Schedules II, Lines 1(b), 2(b), and 3(b) to modify the apportionment percentage used to determine the amount of foreign dividends from unitary sources subject to New Hampshire Business Profits Tax.</p>

USE ADDITIONAL SHEETS IF NECESSARY